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**ILLINOIS
MUNICIPAL
RETIREMENT
FUND**

OCT 2 1974

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ANNUAL REPORT**

1973

A large retirement system is more than thousands of employee accounts and millions of invested dollars. It also represents the hopes and dreams for the future of each of its members. At the Illinois Municipal Retirement Fund it is our job to provide financial security tomorrow from careful investments made today. In this way we believe that we can help to make those dreams come true.

On December 31, 1973 the Illinois Municipal Retirement Fund completed 33 years of operation. After nearly one-third of a century IMRF is well known in the State of Illinois. This is certainly true for the 83,445 participating employees, and particularly true for the 15,296 retired people who receive a pension check every month. To all who have an interest in IMRF and especially to those who are counting on us for their future, the Board of Trustees is pleased to submit this annual report.

Respectfully submitted,

Jack W. Loftus

Jack W. Loftus

President—Board of Trustees

Summary of the Plan

The Illinois Municipal Retirement Fund is

- ORGANIZED under state law for the purpose of providing a uniform program of death, disability, and retirement benefits for employees of local governments in Illinois.
- GOVERNED by a board of seven trustees who are elected by employees and municipal governments participating in the Fund. The Board meets monthly. Trustees are paid travel expenses only.
- ADMINISTERED by an Executive Director appointed by the Board of Trustees. The administrative staff is selected by the Executive Director and totals 70 employees. In addition to providing services from its office in Chicago, the Fund has four field representatives who travel throughout the State providing information and answering questions on the IMRF plan.



The Membership

Forty-three new municipalities began participation on January 1, 1973. At the end of 1973 there were 1,883 municipalities with 83,445 employees actively participating in the IMRF program. Female members outnumbered males 45,643 to 37,802. An average of 161,000 employees were reported for Social Security coverage in each quarter of 1973. School employees comprised nearly one-half the total membership.

	Municipalities		Employees	
	Number	Percent	Number	Percent
School Districts .	1,035	55%	40,992	49%
Townships	210	11	1,598	2
Cities	161	9	14,285	17
Villages	151	8	6,111	7
Counties	101	5	15,872	19
Park Districts ..	99	5	1,522	2
Miscellaneous..	126	7	3,065	4
	1,883	100%	83,445	100%

STATEMENT OF ASSETS AND RESERVES

December 31, 1973

<u>ASSETS</u>	<u>Million</u>
Cash and Short Term Securities	\$ 17.4
Receivables	21.9
Investments (Bonds and Stocks)	466.1
Equipment and Fixtures	0.2
Total Assets	<u>\$505.6</u>
Less Payables	20.4
Net Assets	<u><u>\$485.2</u></u>

<u>RESERVES</u>	
Member (contributions and interest)	\$142.0
Annuitant (amount required to pay pensions granted)	227.9
Employer (amount accumulated to pay benefits to be awarded in the future)....	115.3*
Total Reserves	<u><u>\$485.2</u></u>

*In addition to the present Employer Reserve, \$404 million is required to fund the cost of retirement benefits earned to date. Employer contribution rates are actuarially computed to accumulate this amount over a 40 year period.



SUMMARY OF FINANCIAL ACTIVITIES

December 31, 1973

<u>SOURCES OF FUNDS</u>	<u>Million</u>
Member Contributions	\$ 65.5
Employer Contributions	78.6
Income from Investments	23.5
Total	<u><u>\$167.6</u></u>

<u>USES OF FUNDS</u>	
Benefit Expenditures	\$ 33.4
Social Security Taxes	79.4
Administration	1.5
Additions to Reserves	53.3*
Total	<u><u>\$167.6</u></u>

*Additions to Reserves, totalling \$53.3 million were placed in new investments to help meet the cost of providing retirement benefits earned to date.

INVESTMENTS

December 31, 1973

<u>TYPE</u>	<u>Book Value (Millions)</u>	<u>Percent of Total</u>
Commercial Paper	\$ 13.9	3.0%
Government Bonds	6.9	1.0
Corporate Bonds and Notes..	340.3	71.0
Common Stocks	<u>118.9</u>	<u>25.0</u>
	<u>\$480.0</u>	<u>100.0%</u>

The Fund buys short-term commercial paper to keep its money fully invested. In 1973 the Fund earned interest in excess of \$957,000 on this type of investment.

BENEFIT PAYMENTS

Number of Monthly Benefit Payments

<u>Type</u>	<u>At End of Year</u>	
	<u>1973</u>	<u>1972</u>
Retirement Annuities	15,296	13,828
Surviving Spouse Annuities..	2,603	2,403
Beneficiary Annuities	123	106
Disability Benefits	<u>1,006</u>	<u>885</u>
Total	<u>19,028</u>	<u>17,222</u>

Death Benefits Single sum death benefits were paid to beneficiaries of 1177 members who died during 1973. This represented a 15 percent increase over the 1027 death benefits paid in 1972.

Separation Benefits Refunds were paid to 14,126 employees who terminated employment and withdrew their contributions. This represented a 28 percent increase over the 11,039 refunds paid in 1972.

1973
AMENDMENT
TO THE PLAN



During the 1973 legislative session the 78th General Assembly approved the following significant amendment to the IMRF law:

An Improved Retirement Formula—For members who are eligible to retire and who terminate participating employment on or after July 1, 1974 the IMRF pension benefit will be determined by multiplying $1\frac{2}{3}\%$ times the member's average monthly earnings times the first 15 years of service, plus 2% of his average monthly earnings times all years of service over 15.

This replaces a retirement formula under which the IMRF pension is determined by multiplying: $1\frac{2}{3}\%$ times the member's average monthly earnings times all of his years of service.

Under both the old and new formula if the member retires between ages 55 and 60 with less than 35 years of service, the pension is reduced $\frac{1}{2}\%$ for each month under age 60.

1973 TRUSTEE ELECTION

Mrs. June K. Quint, Business Manager of School District #137 in Rantoul, was elected to serve a five year term as an Executive Trustee. Mrs. Jenny F. Birtic, Payroll and Personnel Clerk for the City of Waukegan, was elected to serve a two year term as an Employee Trustee.

BOARD OF TRUSTEES AND OFFICERS

Executive Trustee—

Elected by participating municipalities.

Term
Expires
December 31

Charles E. Hastings	Peoria	1975
Jack W. Loftus <i>President</i>	Decatur	1976
June K. Quint	Rantoul	1978
Delmar Ward <i>Vice-President</i>	Murphysboro	1977

Employee Trustee—

Elected by participating employees.

Jenny F. Birtic	Waukegan	1975
Mildred M. Predmore	Quincy	1974
Rollin F. Streitmatter <i>Secretary</i>	Peoria	1975

Executive Director, Ralph W. Kausch

Actuary, A. S. Hansen Inc., Consulting Actuaries

Auditor, Peat, Marwick, Mitchell & Co.

Medical Consultant, Noah H. Sloan, M.D.

Investment Counsel, Alliance Capital
Management Corporation

For further information write:

**ILLINOIS MUNICIPAL
RETIREMENT FUND**
100 South Wacker Dr.
Chicago, Ill. 60606

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